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June 25, 1998

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**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

Magalie R. Salas, Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, D.C. 20554

Re: Section 706 Petitions
CC Docket Nos. 98-11, 98-26, 98-32 and 98-78

Dear Ms. Salas:

On behalf of The Competitive Telecommunications Association ("CompTel"), please take notice that on June 18, 1998, we met with Carol Matthey, Chief, Policy Division, Andrea Kearney, Staci Pies, Liz Nightingale and Linda Kinney of the Policy Division, Common Carrier Bureau, to discuss CompTel's position in these dockets. Representing CompTel were Robert J. Aamoth and myself from Kelley Drye & Warren LLP and Genevieve Morelli and Joseph Gillan from CompTel. The attached document summarizing the presentation was distributed at the meeting.

Two copies of this notice are provided for inclusion in each of the above-captioned dockets.

Sincerely,



Steven A. Augustino

Attachment

cc: Ms. Matthey
Ms. Kearney
Ms. Pies
Ms. Nightingale
Ms. Kinney

Section 706 Petitions

Petitions of the Bell Operating Companies
CC Docket Nos. 98-11, 26, and 32

ALTS Petition for Declaratory Ruling Regarding Section 706
CC Docket No. 98-78

EX PARTE PRESENTATION OF THE COMPETITIVE TELECOMMUNICATIONS ASSOCIATION

June 18, 1998

THE PREMISE OF THE BOC PETITIONS IS FUNDAMENTALLY WRONG

There Is No Need To Create A New "Incentive" To Encourage ILECs To Deploy Advanced Services

- New entrants are deploying SONET-based broadband fiber networks and bringing frame relay, ATM, IP backbone and xDSL services to consumers in hundreds of ILEC markets.
- Sprint recently announced a major initiative to upgrade its ILEC networks with advanced data and voice technologies.
- To increase their network efficiencies and to respond to these competitive pressures, the RBOCs already are spending billions of dollars deploying advanced technologies.
- The RBOCs have not identified a single instance where they delayed or cancelled advanced feature deployment due to the 1996 Act obligations. Competition appears to be *accelerating* their plans, not pushing them back.

INCREASED COMPETITION IS THE BEST INCENTIVE TO ENCOURAGE DEPLOYMENT OF ADVANCED TECHNOLOGIES

The FCC Can Promote Competition By:

- A. Clarifying Section 251's Obligations
 - CLECs are entitled to interconnection and access to UNEs for data services.
 - Define additional UNEs such as extended loops and xDSL loops.
- B. Reforming Collocation And Access To UNEs
 - "Cageless" collocation, sharing of collocation space, and smaller collocation cages should be mandated.
 - "recent change" process should be used to separate and combine UNEs.
- C. Maintaining Section 271's Incentive To Open RBOC Networks

SECTION 251(C) IS NOT FROZEN IN TIME

A. ILEC Networks Are Constantly Evolving, Not Static

- New technologies are constantly being introduced and integrated through a gradual process. Access to these technologies should not be cut-off because they are “new.”
- It is not consistent with the goals of the Act to limit competitors to accessing an aging relic “POTS” network.

B. “Dual Networking” Is A Fiction

- Voice and data traffic are not carried by separate networks. Rather, a single, integrated network routes each type of traffic in the most efficient manner possible.
- Much of the existing copper and interoffice fiber plant can be converted among uses through changes in the software and electronics at each end. Regulatory distinctions between voice and data facilities will be meaningless.

SPECIAL “DATA” AFFILIATES WILL UNDERMINE THE ACT

- A. To Be Meaningful, Any Affiliate Must Follow At Least The “7 Minimums” In The LCI Fast Track Proposal
 - Only these protections begin to address the BOCs’ inherent conflict of interest.
- B. Any Other Affiliate Can Be Manipulated To Thwart The Act
 - ILEC will transfer or deploy equipment and facilities solely to evade pro-competitive obligations.
 - ILEC could use alter ego affiliates in a corporate and regulatory shell game.
- C. An Affiliate Could Be Used To Extend The Bottleneck To Advanced Technologies
 - Affiliate will deploy network architectures to leverage the advantage of the ILEC’s bottleneck.
 - Solution is to eliminate bottleneck control, not to transfer it.

SPECIAL “DATA LATAS” SHOULD BE REJECTED

- A. LATAs May Not be Re-Drawn To Evade Section 271
- B. Any Partial Relief From 271 Will Weaken Its Usefulness As An Incentive
- C. No Commission Action Is Needed to Solve the “Problem”
 - BOCs can eliminate any claimed limitation resulting from the interLATA restriction by demonstrating compliance with Section 271.



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